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*Memorandum*

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Ed Shikada

**SUBJECT:** SEE BELOW

**DATE:** 10-21-09

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**INFORMATION**

**SUBJECT: OCTOBER UPDATE ON CITY RECOVERY ACT EFFORTS**

Since the passage of the American Recovery and Reinvestment Act of 2009 (Recovery Act) in February, staff has kept the Mayor and Council apprised of the City's Recovery Act efforts through information memoranda sent earlier this year (March and July), City Manager's Weekly Reports and through various Council agenda items. This information memorandum provides a comprehensive update on Recovery Act efforts that have occurred since July.

City staff has been actively engaged in tracking and pursuing funding opportunities that have been made available through the Recovery Act. To date, the City is estimated to receive over \$78 million in Recovery Act funds through a combination of formula and competitive allocations. The funding will be used to help the City repave streets, invest in energy efficiency and renewable energy, fight crime, expand recycled water infrastructure, provide affordable housing and offer job training for youths and adults.

**Aviation (Estimated Recovery Act Funds - \$26.1 million):** On August 10<sup>th</sup>, the Federal Aviation Administration (FAA) awarded \$5.2 million in Recovery Act funds for the Taxiway W Phase 1 Pavement Improvement project. Construction is currently underway and is anticipated to complete by early 2010.

On September 28<sup>th</sup>, the Transportation Security Administration awarded \$20.9 million to San José to install a new state-of-the-art checked baggage screening system at the Airport's new Terminal B. Work is underway and the new equipment is expected to be in place by next summer.

**Energy (Estimated Recovery Act Funds - \$9.7 million):** The \$8.8 million in Energy Efficiency and Conservation Block Grant (EECBG) funds earmarked for San José will be used for Municipal Energy Efficiency and Solar activities and to support the installation of LED streetlights throughout the City. Staff is currently working with the U.S. Department of Energy (DOE) to finalize project details and anticipates securing funding allocation shortly. On October 8<sup>th</sup>, the DOE awarded \$900,000 in Solar America Cities grant funds to the City for seven solar projects—the largest number awarded to any city in the nation. While the final

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dollar amount of the grant is subject to negotiations with the DOE, the City is expected to receive at least \$900,000 for the following seven projects:

- Property Assessed Solar Financing through Joint Powers Authority
- Solar Loans for City Staff
- Qualified Energy Conservation Bond Financing for Revolving Solar Loan Fund
- Streamlined Regional Solar Permitting Process
- Solar Train the Trainer Internship Program
- Solar Career Training for At-Risk Youth
- Green Vision Education and Demonstration Center

**Housing (Estimated Recovery Act Funds - \$6.8 million):** On August 26<sup>th</sup>, U.S. Department of Housing and Urban Development (HUD) approved the City's Community Development Block Grant Recovery (CDBG-R) program. The City's CDBG-R program will utilize the \$2.7 million in Recovery Act funds made available to San José to implement five projects that will provide long-term economic benefits:

- Two storm drain improvement projects in the Alviso area;
- LED streetlight conversions;
- Job training program for non-violent ex-offenders, homeless persons and emancipated youth and;
- Clean Tech job creation program.

Staff expects to finalize agreements by November with construction activities expected to begin later this fiscal year.

On September 15<sup>th</sup>, the City selected three non-profit organizations (EHC Lifebuilders, Sacred Heart and Community Technology Alliance) to administer a comprehensive Homeless Prevention and Rapid Re-housing Program (HPRP) with the use of \$4.1 million made available by the Recovery Act. This program will provide financial assistance and services to either prevent individuals and families from becoming homeless, or to help those residents who are homeless to be quickly re-housed and stabilized.

**Public Safety (Estimated Recovery Act Funds - \$2.2 million):** On July 9<sup>th</sup>, the City submitted a grant application to the U.S. Department of Homeland Security seeking \$15 million to support the construction and remodel of fire stations in San José. Homeland Security announced its grant awards on October 2<sup>nd</sup> and unfortunately, San José was not selected as one of the grant recipients.

In August, the City received \$1.35 million in Recovery Act funds to help partially fund the implementation of a new Automated Field Reporting/Records Management System (AFR/RMS) for the Police Department. The AFR/RMS utilizes new technology to collect, store and analyze data and will allow the Police Department to more effectively deploy its patrol and investigative resources throughout the City.

The City will receive approximately \$864,000 from the Department of Justice to enhance and expand the San José/Silicon Valley Internet ICAC (Internet Crimes Against Children) Task Force to enable them to address technology-facilitated child exploitation and prevent, interdict and investigate ICAC offenses.

**Technology:** Staff reviewed the Notice of Funding Availability for the first allocation of funds under the Recovery Act's Broadband Technology Opportunities Program and determined that San José would not qualify well for funding under this program due to specific eligibility criteria requirements. As these competitive grants are expected to be awarded in phases, staff is continuing to monitor potential developments with future funding announcements for potential opportunities for San José.

**Transportation (Estimated Recovery Act Funds - \$15.1 million):** On August 25<sup>th</sup>, the City awarded a construction contract to MCK Services for the Street Resurfacing Tier 1 project. As part of this project, the City will resurface 16 miles of arterial streets. On September 28<sup>th</sup>, City leaders along with congressional representatives held a press conference to mark the beginning of construction activities, as well as highlight the City's use of Recovery Act funds in other program areas.

Due to the very favorable bid results on the Tier 1 project, staff is currently working with Caltrans to increase the number of street locations that would be addressed by the Tier 2 project to fully utilize the budget savings from the Tier 1 project. Construction on the Tier 2 project is expected to get underway in late Spring 2010.

**Water (Estimated Recovery Act Funds - \$6.5 million):** In July, staff received notification of a \$6.46 million grant award from the U.S. Bureau of Reclamation for South Bay Water Recycling Phase 1C Improvements. Staff is working to finalize the grant agreement with the Bureau and will bring forward to Council in November for consideration and appropriation actions.

**Workforce (Estimated Recovery Act Funds - \$11.9 million):** With funding support from the Recovery Act, work2future was able to provide a subsidized summer employment program for over 900 low income, at-risk youth in San José and southern Santa Clara County. Work2future will also be providing additional services to adult and laid-off job seekers through increased services at One-Stop Centers, including extended hours, additional workshops and expanded training opportunities.

In addition to the Recovery Act funds that are expected to come to San José noted above, the City is currently awaiting decisions on over \$1 billion worth of grant applications that have been submitted for many additional competitive Recovery Act grants. If approved, these grant funds would provide further benefits to San José and the surrounding region. The table on the following page provides a list of grant applications that are still pending final decisions by Federal funding agencies.

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Federal Program	Federal Funding Agency	City Program	Amount
Community Renewable Energy Deployment	Department of Energy	Energy	\$5 million
Local Energy Assurance Planning Initiative	Department of Energy	Energy	\$300,000
Neighborhood Stabilization Program – Round 2 (NSP-2)	Department of Housing and Urban Development	Housing	\$25 million
Byrne Competitive Grants	Department of Justice	Public Safety	\$8.5 million
High Speed Rail	Department of Transportation	Transportation	\$980 million for San José-San Francisco segment
Transportation Investment Generating Economic Recovery (TIGER)	Department of Transportation	Transportation	\$50 million for BART Hayward Yard Expansion (Supports future extension of BART to Silicon Valley)
Pathways out of Poverty	Department of Labor	Workforce	\$2.5 million

**Reporting**

As the Council is aware, the Recovery Act has set forth unprecedented transparency and reporting requirements. We are pleased to inform the Council that the City successfully met the first reporting deadline mandated by the Recovery Act. Recipients of Recovery Act funds are required to report quarterly on the use of Recovery Act funds, and provide detailed information, such as: total amount of funds received, the amount spent on projects and activities, completion status, estimates of jobs created and details on sub-awards and other payments. The first reporting deadline was October 10<sup>th</sup> and the City submitted reports through the Federal web-based reporting system, Federal Reporting.gov, for programs in which San José received Recovery Act funds directly from the federal government. For programs where San José is a "Sub-Recipient" of Recovery Act funds, mandated reporting information was submitted to appropriate State agencies for reporting to the federal government.

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Additional information on the City's efforts related to the Recovery Act can be found by visiting the City's Recovery Act webpage at <http://www.sanjoseca.gov/recoveryact>.

Please contact Ashwini Kantak at (408) 535-8147 if you have any questions.

A handwritten signature in black ink, appearing to read 'Ed Shikada', with a stylized, flowing script.

Ed Shikada  
Chief Deputy City Manager